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January 9, 2007

Ref: 394-24673

Honorable James H. Welsh Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-4275

Re: Hearing Application

Lower Cotton Valley Formation Reservoir A, SUQ TERRYVILLE FIELD, Lincoln Parish, Louisiana Applicant: Clayton Williams Energy, Inc.

Dear Mr. Commissioner:

Application is hereby made on behalf of **Clayton Williams Energy**, **Inc.**, for the calling of a public hearing, after ten days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters regarding the LCV RA SUQ, Terryville Field, Lincoln Parish, Louisiana, for which rules and regulations were established and a pattern of drilling and production units were created for the exploration for and production of gas and condensate by 370 Series of Office of Conservation Orders, as amended and supplemented by 370-B Series of Orders.

- 1. To grant an exception to the spacing provisions of Statewide Order No. 29-E and 370 Series of Office of Conservation orders, as amended and supplemented by 370-B Series or Orders and to permit applicant to designate the Clayton Williams Energy, Inc.-J. L. Hood 15 No. 1 Well as a unit well and to permit applicant to drill, designate and utilize the Clayton Williams Energy, Inc.-J. Huey, et al 15 No. 1 Well, the Clayton Williams Energy, Inc.-E. L. Henry 22 No. 1 Well and the Clayton Williams Energy, Inc.-Lewis 22 No. 1 Well as alternate unit wells for the LCV RA SUQ, such wells to be at the location shown on the plat attached hereto and made a part hereof;
- To make a specific finding that such proposed unit well and alternate unit wells are necessary to effectively and efficiently drain a portion of the LCV RA SUQ which cannot be efficiently and economically drained by any other well within the unit;

201 St. Charles Avenue, 40th Floor · New Orleans, Louisiana 70170-4000 · (504) 582-1111 · Fax (504) 582-1121 One American Place · 301 Main Street, Suite 1600 · Baton Rouge, Louisiana 70801-1916 · (225) 381-9643 · Fax (225) 336-9763 GAMDE-LAP 3990 West Loop South, Suite 1050 · Houston, Texas 77027-3533 · (713) 333-5500 · Fax (713) 333-5501

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- 3. To grant a single unit allowable for the LCV RA SUQ and to permit the operator of the unit to produce said unit allowable from the unit well, the proposed alternate unit wells, or from a combination of the wells at its option;
- 4. To find that, except to the extent contrary to the order granted by the Commissioner of Conservation in connection with the hearing held on this application, the provisions of 370 Series of Office of Conservation Orders shall remain in full force and effect;
- 5. To designate a unit well and unit operator, and
- 6. To consider such other matters which may be pertinent to this application as shown by the evidence presented at the hearing held on this matter.

The Lower Cotton Valley Formation, Reservoir A, SUQ, Terryville Field, Lincoln Parish, Louisiana was redefined in Office of Conservation Order No. 370-B-91, effective December 5, 2006.

Attached hereto and made a part hereof is a plat outlining the LCV RA SUQ showing the location of the unit well and alternate unit wells together with a list of the names and addresses of all interested owners, interested parties and represented parties who are known to the applicant after reasonable search. A reasonable effort was made to ascertain the names and addresses of all such parties.

A copy of the list of the names and addresses of the interested owners, interested parties and represented parties is not being mailed to those parties along with this hearing application. Should any of these parties desire a copy of this list, however, we will be glad to provide one upon request.

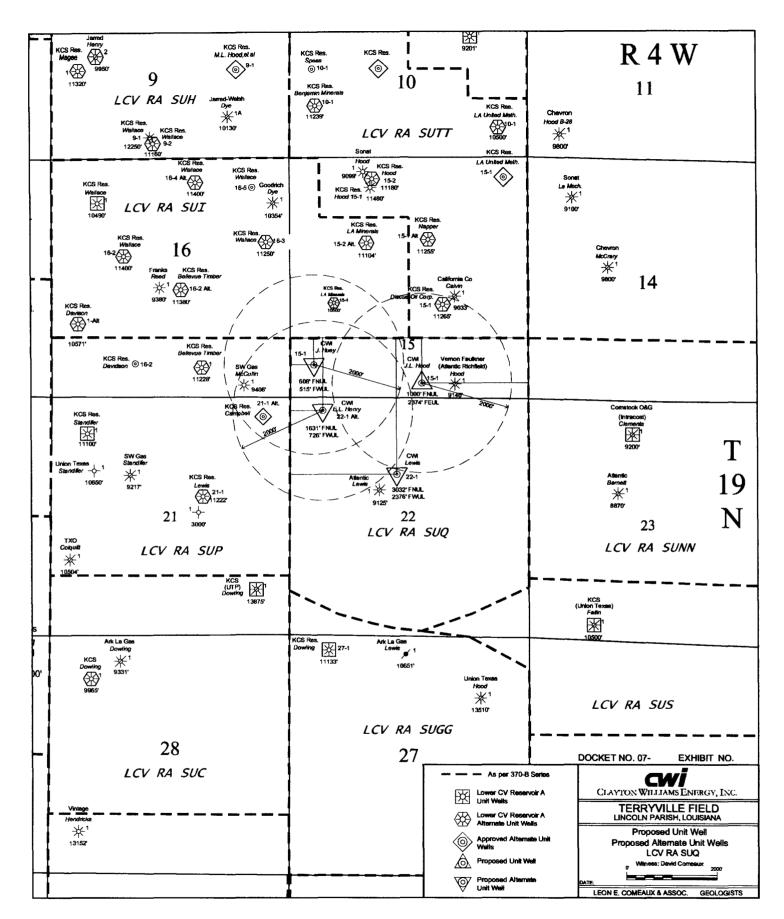
Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. David Comeaux of Leon Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505, (337) 233-9839.

Finally, there is enclosed our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, which represents the required hearing application fee.

very ruly yours

BJD:ht Enclosures

Cc: Mr. James Broussard
District Manager, Office of Conservation
Interested Parties, Interested Owners
and Represented Parties on attached list



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